

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6521

BILL NUMBER: HB 1324

NOTE PREPARED: Jan 28, 2010

BILL AMENDED:

SUBJECT: Disposal of Vacant Lots in Tax Sale Process.

FIRST AUTHOR: Rep. GiaQuinta

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: *Vacant Lot Disposal*- The bill permits a county to sell a vacant parcel acquired by the county in a tax sale to the owner of a contiguous residential parcel for \$1. The bill allows the county executive to establish criteria to identify vacant parcels eligible for sale. The bill establishes procedures for conduct of the sale, transfer of the vacant parcel, and consolidation of the vacant parcel with the contiguous parcel.

Property Tax Exemption- The bill provides that the consolidated parcel is, until the next transfer of title after the consolidation, entitled to an exemption from property taxation in the amount of the assessed value of the vacant parcel at the time of consolidation.

Effective Date: July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Vacant Lot Disposal*- Counties may be able to save the expense of retaining an appraiser, auctioneer, and/or sales broker to complete the sale of the parcels in question.

Explanation of Local Revenues: *Property Tax Exemption*- The proposed sale method could potentially reduce the amount of revenue collected for the property. However, if these properties are returned to the tax rolls in a more expedient fashion, then these properties could reduce the taxes paid by other property owners in the same local taxing unit assuming no change in the local levy. The impact of this provision to local

revenues would vary by each local taxing unit.

State Agencies Affected:

Local Agencies Affected: Local taxing units.

Information Sources:

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